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# The politics of contraband The honor economies of the warez scene

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## Abstract

Lodged within the Internet's increasingly commercialized webs there exists a thriving subculture that has developed an economy all its own. Specifically, a modern gift economy, a consistent and internally rational structure of actively anti-economic behavior that presents an interesting juxtaposition to our contemporary notions of economy. Based on an extended ethnography, this subculture is analyzed as a society ordered by agonistic play and gift-giving as economy. The contribution can best be described as adding ethnographic data from the post-industrial phase in Western economic development to the discussion of gift economies, a discourse that has usually dealt only with archaic communities. © 2004 Elsevier Inc. All rights reserved.

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## 1. Introduction

Gift economies have been discussed at length within the field of anthropology, from Boas (1897) on to the present day (e.g. Mosko, 2000; Yang, 2000), and therefore hold a special place in the field, particularly in economic anthropology. With Malinowski (1922) and Mauss (1924/1990) as a foundation, the discussion regarding gifts as a form of economy has then been addressed in most of the social sciences, including but not limited to philosophy (Derrida, 1992), sociology (Bourdieu, 1990) and literary theory (Hyde, 1979). On the whole, gift economies have been treated with a great deal of respect and interest, but what is interesting here is the way in which this discussion has taken the form of a historiography. What is further noticeable in most of these is that they use quite a limited number of studies

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as their empirical support. Normally only two examples are discussed, the potlatching between the Kwakwaka'wakw (better known as the Kwakiutl, see Benedict, 1934; Codere, 1950) and the kula in the Trobriand Islands (Malinowski, 1922; Weiner, 1992). Further, these empirical studies are putatively studies solely of archaic or 'primitive' societies, and they are usually constructions pieced together in the anthropological discussion (particularly so in the case of the potlatch). More succinctly put, gift economies are usually treated as historical abnormalities, despite the moral praise they usually receive from their interlocutors. This has led to the implicit assumption that Mauss's idealistic idea of modern gift economies (Mauss, 1924/1990; pp. 65–78) was both incorrect and naïve. Although some wish to find a way to adapt *The Gift* to our modern times (e.g. Schrift, 1997), this has usually been hindered by methodological problems. In industrial and post-industrial societies, economic behavior is caught up in such continuous circuits of capital that discerning a more general system of reciprocal behavior of the type discussed becomes almost impossible (cf. Lash and Urry, 1994). Likewise, due to the process of globalization modern society rarely exhibits the kind of easily delimited group practices such as the potlatch and the kula, where the giving of gifts ordered social life in its entirety. Even though some have identified such processes in "hybrid" forms (i.e. economies of ritual gift exchange functioning 'within' market economies), such as in Yang (2000) where surviving archaic economic behaviors within the postsocialist capitalism of Wenzhou is analyzed (see also Ledeneva, 1998 and the analysis of the *blat*), there have been almost no studies of truly modern gift economies. Some attempts have been made (e.g. Werbner, 1990; Davis, 1972; see also Berking, 1999 and note Baudrillard, 1993), and there are some developments within the growing field of Bataille-studies (i.e. continuing from Bataille, 1967/1991), but for the most part gift economies have been viewed as a more or less quaint aberration. But the point of gift economy as an analytical category is not merely historical, but more specifically that it shows us an alternative to economies that have the market exchange at their core, and also that one can discuss ethics (i.e. non-quantifiable sentiments such as love, friendship, honor and duty) as foundational in an economy.

At the same time, the assumption seems to be that gift economies are only possible under very specific conditions, and that a more developed form of the same in fact is something else, a "moral economy" (see Scott, 1976; Booth, 1994; Stone, 1996; see also Kohler, 1994) where the rational moral sentiments of the Western mindset orders the economy. Further, studies that have emphasized the place of socio-moral sentiment in modern economic settings have usually been content with presenting this morality through ostensive definitions, and as something that grows "on top" of a given economic system—implicitly leaving one with the feeling of the moral economy as something enabled by the "real" economic system. Even in the cases where this is less pronounced, as in the works of Boulding (1958, 1971, 1981) on love systems and the grants economy where the importance of such systems is highlighted and emphasized, such behavior is usually posited as a stabilizing function in the market economy. Whereas such theoretical frameworks try to comprehend the place played by ethics and socio-moral feelings in the formations of economic systems, the notion of gift economy has focused on the creation of specific economic structures, effectively questioning what the basis of economy is. All in all, gift-giving is by no means a new phenomenon in economic theory, nor is the existence of gifts in contemporary society a controversial issue. But while the role of gift-giving and reciprocity has been widely discussed in modern economic

theory (see, e.g. Davis, 1972; Hyde, 1979; Werbner, 1990; Miller, 1998; Prendergast and Stole, 2001), and the cultural basis of economic systems have received a renewed interest through some influential contemporary works on cultural economy (Callon, 1998; du Gay and Pryke, 2002), the possibility for a contemporary gift economy of the classical, total type has been all but ignored. While the theories of, e.g. Mauss and Bataille have been used, this has mostly been done in a metaphorical fashion, rather than as a functional notion of how complete economic systems can be ordered. Additionally, the problem has been that there are very few cases presented where the gift can be isolated as an analytical category in contemporary societies in the sense meant by theories of gift-giving as an economy.

Consequently, this paper presents some ethnographic data regarding a virtual community that might be best understood as a classical gift economy, and it is particularly through comparing it to the ritual of the potlatch that this becomes noticeable. The data has been collected through a type of participant observation that has been conducted on and off during the period 1996–2000. Succinctly put, I have during this time devoted a significant amount of hours (a few most normal working days and some during nights and weekends) to following the way in which pirated software ('warez') is produced and distributed over the Internet. As the studied community is 'virtual', i.e. it can only be said to exist within the networks of the Internet, the collection of data has been of a fragmentary nature—a statement that demands some explanation. In the case of economic activity that takes place over a distributed network, the absence of an observable whole becomes something of a dilemma. In the community discussed, 'action' takes place as the transfer of digital data. One cannot observe such action through anything else than the traces these actions leave, their inscriptions (Hine, 2000; Turkle, 1995; cf. Foucault, 1973; Latour, 1999). The researcher is thus left with a collection of fragments (logs, text files, newsletters, chat-transcripts) through which she can construct a whole. This leaves the question whether there is such a whole. Disregarding the ontological issue, we can assume that this observation of a whole is a tentative structure, but no more so than for another participant. The members of the virtual community are just as much as the researchers piecing together the community in a constant and iterative way. This radicalizes the notion of sociality in the studied community, as the absence of a physical presence must be counteracted through continuing interaction, something that is less pronounced in economic dealings in the material world. My study of the community has thus mainly consisted of following interactions and collecting material on interactions by sitting at my own computer. Gaining access through participation and 'lurking' (silent observation in chat-rooms, etc.), I was able to amass information as to the basic ways in which the community functions. Much of this work has been of an archival nature (archival work on the Internet is easy, provided that the archives are kept up to date. With informal and "secret" societies such as the one discussed, this is not necessarily the case. I have been forced to amass my own archives, although I have been greatly helped by the resources <http://www.defacto2.net> and <http://scenearchive.cjb.net> (Note the fleeting nature of such resources. For access to the material, contact the author.), but I have also used the classic anthropological methods of prolonged observation. This form of 'virtual ethnography' (Mann and Stewart, 2000; Hine, 2000) is not altogether unproblematic as a method, but the observation of a community that exists only on the Internet cannot practically be conducted in any other way. Interviewing participants would have been an option, but as, e.g. Silverman (2001; see also Atkinson and Silverman, 1997) has remarked this would

primarily give us information about how the subjects view their actions, and might in fact at best be a roundabout route to the understanding of their actions. Consequently, I have observed the community in question ‘virtually’, and the empirical material of this article consists mainly of the abovementioned textual fragments, which together presents a picture of a community where sociality is synonymous with the transfer of digital information. Having observed the scene intermittently for several years, and closely/daily for a period ranging from late 1998 to the end of the year 2000, my data is by now rich enough to warrant a more wide-ranging analysis. The format of a journal article rarely allows for what Geertz (1973) referred to as a “thick description” (I refer the interested reader to Rehn (2001)), but I shall still point out some basic structural issues regarding the studied community as an economy. Also, I will here present my case in a rather straightforward way, and have chosen not to delve into the intricacies and problems of anthropological writing (Clifford and Marcus, 1986; Geertz, 1988). Further, I make no claims to be original in studying the Internet as a field where the social can be constructed, as a number of excellent studies regarding this have already been published (see, e.g. Smith and Kollock, 1999; Miller and Slater, 2000). Instead, my interest lies specifically in the study of a community where gift-giving behavior is the defining feature of sociality. This noted, I will continue on to a description of the community in question.

## 2. The warez scene

The Network Society (Castells, 1996) has made possible the founding of distributed communities, i.e. stable social structures that do not engage in a physical sense (cf. Turkle, 1995; Haraway, 1991). The studied community is just such a structure, and it traces its history to the first instances of computers networking as they developed in the late seventies by the Macintosh<sup>®</sup> community (Ippgi, 2000). Going through a period of intensive development in the late 1980s to the early 1990s as the personal computer became more ubiquitous and the technologies for networking these developed, the advent of the Internet precipitated the coming together of the earlier somewhat dispersed groupings to one ‘scene’. Where the early computer networks were systems where a person/client interacted with one server at a time by telephoning into it, the new networks connected everyone to everyone and, as has been stated countless and derivative times both in academia and in the popular press, made the transfer of digital information almost frictionless. And, importantly in this case, very cheap.

A pirate group’s goal is to release a commercially available game, with all copy protection removed or bypassed, in a format that reflects the original games purpose, and is generally considered “playable”. (From “Beowulf’s Thoughts on the CD-RIP’ing Scene”)

The warez community has existed in a recognizable form for about 15 years, i.e. several years longer than the Internet as a popular network has, and is even now prodigiously active. The warez scene, which is the name most commonly used within the community, consists of enthusiasts who engage in a ritual form of economic rivalry. In this, transactions are made into expressive and dramatized spectacles, with great symbolic importance attached to defeating a rival. These “tournaments of value” (Appadurai, 1986; Harrison, 1992) are played out by the participants’ provisioning the community with illegally copied and ‘cracked’

(manipulated with regards to copy protection) software, and doing so as efficiently and quickly as possible. Many of the participants belong to a ‘release group’, where they are often specialized in some of the aspects of manipulating software into a form that facilitates its illegal distribution. Other function as ‘couriers’ and distribute the files prepared by the release groups to any of the thousands of ‘warez sites’, i.e. specialized servers that function as distribution centers for the warez. This term, constitutive for this community, stands for any software that is prepared for use in these agonistic rituals of donation. It also denotes one of the main values of the community, namely that all this work is done without a profit-motive, i.e. in a mode that to neoclassic microeconomics would seem *aggressively anti-economic*.

### 2.1. What is warez all about?

Warez is essentially all about free. Keeping the warez free is the core concept of “Warez”. Its about comrades, friends, and family “hooking” each other up with free stuff. It’s about helping people that are less fortunate than us. It’s about helping those who are in need. It’s about the end user. It’s about many things. It provides you a way to make friends, have a good time, break a few rules, and live a better life. (“IRC Warez for newbies” by [the.bogey, 1999](#))

Although the software that circulates on the warez scene tends to simmer out to the general public through websites and similar avenues, the community itself is rather closed and abides by its own logic. What interests participants is not the direct acquiring of specific software (although this can be a consequence), but the way in which reputation and status can be obtained through being noticed as a particularly good source of free software. Release groups are ranked according to their ability to release original software before anyone else, whereas couriers try to be the first to distribute a particular program on the scene-internal servers. In both cases, the primacy of the donation is paramount. On the scene, the participants compete about being the first to have supplied a functioning version, as all later versions are regarded as ‘dupes’ (duplicates) and are erased from the servers, often accompanied by severe chastising from the community. Managing to keep up a constant supply of new programs in a timely fashion, or distributing these efficiently ensures a participants status, but only provisionally, as the scene is engaged in these contests on a continuous basis.

Although no real demographics exist, it is possible to give a fair profile of the participants. They are mainly males from Europe and the Americas. Even if there exists a stereotype concerning participants in the computer underground as being pimply teens, many of them are old enough to hold regular jobs and have families. According to one of the very few articles in a mass-market publication written on the warez dudes ([McCandless, 1997](#)) all of the interviewed were over the age of 23, most in their 30s and at least one almost 50. The language primarily used is English, but this is true only on the larger scene. On a regional level, the warez dudes use their native language. They are technologically savvy, but far from the idealized picture of the computer underground consisting solely of technological geniuses. On the whole they are not unlike such bands of technologically interested bands of males that can be found in any school, university or company. Sociality in this community consists of these individuals transferring files from their computer to central servers, and then interacting over the network discussing this. Chats regarding who has contributed what

and who has been inactive are supplemented by journals detailing the goings-on on the scene (e.g. the “Netmonkey Weekend Report”) and scorecards tallying the ‘contributions’ of participants and groups (e.g. the “United States Courier Report”). Furthermore, groups will communicate through “NFO”-files, which act as a kind of billboard for the group and is always attached to the released warez.

**ALWAYS REMEMBER: WE DO THIS JUST FOR FUN! AND WE ARE AGAINST COMMERCIALISATION! IN FACT WE BUY ALL OUR OWN GAMES, AS WE LOVE GAMES, AND WE ARE NOT JOKING! IF YOU LIKE THIS GAME, BUY IT, WE DID!** (*Identical text found on NFO of both Myth (dated September 30th 2000) and Deviance (dated August 4th 2000).*)

A warez transaction is conducted through the following: A release group, such as ‘Myth’, receives a new program through a supplier or (quite often) buy it. They then proceed to remove all forms of copyright protection and files that are deemed unnecessary, a process known as ‘ripping’. They then package this ‘rip’ and transfer it to one of the central warez servers, where this is logged and communicated to the other participants. This constitutes one release, and the serious release groups can often release a dozen programs each week (not counting a fair amount of ‘cracks’, ‘patches’, ‘add-ons’, ‘trainers’ and similar scene-related ephemera). Other accredited members/site-users can then go on to download it for their own use or courier it to other sites. By this process, the name of the group spreads within the network, signaling prowess. All groups, and all individuals within these groups, battle for such recognition, as this constitutes the cultural form of the society. Here, virtue lies in the efficient propagation of symbolically important objects. All activities, social and distributive, take place solely on the computer networks (which today means the Internet). Thus the scene cannot be said to exist in anything except a virtual sense. Participants only rarely meet in person, and in most cases know each other solely as ‘network identities’. Chatting takes place over Internet Relay Chat (IRC), transfers occur through File Transfer Protocol (FTP) and there exists no central social arena. It is, in all senses, a virtual, distributed society.

For the participants, these competitions are inherently meaningful. Many spend so much time in these endeavors that one can see it as their primary occupation, even to the degree that senior members of the community sometimes advice against letting warez trading become an all-encompassing passion. No statistically reliable data exists as to how much time participants on average spend ‘logged on’, but spending 40+ hours weekly is not unheard of, and particularly enthusiastic members can spend significantly more. Most active members spend at least one to a few hours online on a daily basis. Couriers are more likely to exceed this average, as their activities consist of transferring data (requiring time online), whereas releasers spend additional time offline manipulating copyrighted software into warez. To this should also be added the time expended on chatting online, which participants will engage in whenever time so allows.

<beano> Has the scene lost its goal? the reason it started? you mentioned shadyness <VYLENT> well . . . in a way yes . . . we don’t care about the end user as much as we used to . . . nowadays, groups fight over stupid little things, it gets pretty funny when its outta hand but . . . in overall we have many more methods to reach the end user, like nice websites, many more xdcc offer channels, so overall, it becomes pretty awesome. Scene

is increasing, cause fast connections are increasing, but i still would like the entire scene to be free and not money driven or even trade driven.

Releasing Scene, is probably one of the most fun things in the scene. I mean, you are battling other groups to release first, trying to follow rules, created by some people, and pretty much being happy with the fact that you have done so much for an end user. (From an interview with 'Vylent' printed in United States Courier Report; Issue 82)

This ongoing process of rival generosity structures the society in question *totally*, in a manner reminiscent of how the similar process of the kula, as identified by Malinowski (1922), ordered the societies of the Trobriand Islands (cf. Leach and Leach, 1983; see also Weiner, 1992; Godelier, 1999 and note the critique in Mosko, 2000). Chatting, reporting (in newsletters, etc.) and other forms of social interaction in the community all circulate around the warez circle—who has won which release, who duped, who tried to cheat. As there is no other way to gain a 'name' within the community than through outdoing others in how efficiently one can be generous, the participants will expend much time and resources in order to secure releases. Proof of this is the sheer amount of software that is disseminated through these networks. All major software packages are usually available within 24 h of their official release (a practice referred to as '0-day warez'), and often even earlier due to the groups having contacts inside the software companies. By and large, most or all software that is commercially available will be disseminated within the community at some point.

DNG: Well, I think the utils scene is doing quite well right now. In my opinion, DOD is #1. They put out good stuff that works, and that is the way to do it. PWA is probably the most popular group as far as utils go. Then you have some strong groups like LND and Corp doing their things. So I am quite happy with the way things are going, as almost all utils that are produced are being released. (From Defacto 2; Issue 3, April 1997)

This, naturally, means that the warez scene is inherently illegal, and in the eyes of the software industry and many others, immoral. Participants on the scene, though, do not see themselves as anything of the sort, and are often very vocal in expressing their own moral standpoints. These often concentrate on the perceived callousness of the software industry. Within the scope of this text the question of right or wrong is of minor interest. Still, it is undoubtedly true that that the warez groups are engaged in organized theft on a major scale, and that the software industry have a reason to condemn and pursue them. At the same time, the warez scene argues that the software companies are exploiting their position by letting out inferior products at inflated prices, and that the warez scene is either providing a service or should be seen as an innocent hobby, much like bird-watching. The former argument is often formulated along the lines of claiming that the industry unfairly forces people to buy software that might be sub-par (an argument in part countered by the practice of demos and shareware), and that partial infringement on the profits of the industry is "fair" in light of their position. The latter argument focuses more on the nature of what happens in the scene, basically shifting blame from the game (which could be seen as symbolical rather than material) to the participants (as seen in the exhortations not to pirate pirated software). Succinctly put, the software companies argue that theft is theft, whereas the warez scene argues about what theft means, claiming that context has a place in evaluating such claims. Regardless of what standpoint one takes (condemning or understanding), what is interesting

is that the behavior on the scene is internally consistent and rational within its own social context. Furthermore, it is in direct opposition to the view of man as a calculative agent trying to maximize outcomes according to Western capitalist rationality, for although the participants receive software out of the system they in fact generate far more of it than can ever be utilized by either any single member or the community as a whole, and the only real ‘gain’ or ‘profit’ discussed is one of status and reputation, and this also in a very fleeting way—a participant can be deemed a non-entity after an absence of a mere few months. I understand the transactions on the scene in a less economic fashion.

When a release group presents a release (e.g. the newest graphics package from Macro-media<sup>®</sup>) to the scene, they are in effect challenging other participants. Their prestations are made visible, and in a sense they have signaled their excellence to the other groups, in a competitive manner. Bourdieu (1990, pp. 100–101) has suggested a framework for understanding such challenges and gifts more generally, according to a simple model of honor and responses to challenges. Each challenge, however articulated, represents the potential dishonor of the other participants. These have two choices when faced with such a challenge, either riposte or decline to do so. In the latter case, this can be seen as a snub (as in cases when the gift or challenge is deemed as too insignificant to bother with) or as incapacity, which marks dishonor. As the gifts/donations on the scene are not directed to any particular participant, snubbing them is really not an option. Participants thus have to respond with releases of their own, or show incapacity and be marked as ‘lamers’ (a derogatory term for a person lacking in technical/social skills). Successful responses function as challenges themselves, and the circle can theoretically speaking continue ad infinitum.

This weeks activity from Corp was a result of a lot of enthusiasm—a bit too much at times. Three releases of the above won’t gain points here as they’re all nukes (only two actually got nuked from what I see). Incredible sloppiness on the part of Beck in releasing QuickCAD Millenium, a dupe of LND from a few months back. Credit to Beck, he owned up on it, no excuses. More sloppy work in Vorton Financial Tools 1.0—this is actually v2.0, and a dupe of Shock from a few days back. Finally, DesignCAD LT 2000 isn’t really valid—the Pro version gives users 2D/3D capabilities, and was released quite a while ago, where as the LT version gives only the 2D capabilities found in the Pro edition—so why bother with it? (From *Netmonkey Weekly Report*; Issue 49, June 3rd 1999)

The scene is through this permanently engaged in a circle of challenges, a tournament where the reputation/honor of the participants is tied to their ability of keeping up with the competition. Consequently, participants are continuously recounting their history of releasing (i.e. participation), and working hard to maintain status. The reason we can talk of an *economy* in this particular setting is due to two reasons plus one notable fact, namely that even outside observers concede that an exorbitant amount of value (products and the nominal values attached to these (the software industry sometimes refers to “potential sales”)) circulates within these activities. For the reasons (A) the scene exhibits a system of production, distribution and consumption of specific products; (B) the way in which this is ordered provisions this society, in a total manner. In other words, we have in this setting economic values, regardless of the fact that they are interpreted in different ways by different observers (insiders versus software companies), and a social ordering of the

system within which these circulate—which can be seen as the minimal structure of an economy. As Marshall Sahlins (1972, p. 187) remarked in a somewhat different context:

The interest of such transactions is precisely that they do not materially provision people and are not predicated on the satisfaction of human material needs. They do, however, decidedly provision society: they maintain social relations, the structure of society, even if they do not to the least advantage the stock of consumables.

The natural counter-argument is that warez transactions may be engaged in specifically for reasons of material provision and that what the scene is, in fact, engaged in is maximizing its stock of software. Such a perspective would reduce the activities in this community to a cooperative structure that functions as a parasite on the software industry. Although this does not disqualify the community as a gift economy, it does question the motive of participation and the argument that their behavior is different from that of *homo oeconomicus*. We must thus note some particular characteristics of releasing.

By and large, the specifics of what is released are less important than the act of releasing itself. For couriers, whose battles deal with transferring as much as possible as quickly as possible, the actual contents of what is distributed is of no consequence at all, as long as it is valid warez and one is the first one to get it to a server. And although there is much glory to be had from releasing important and expected software, the most important thing for a release group is to keep up a steady flow of the ‘product’. Much of what is released is either redundant or otherwise of questionable utility. It is not uncommon to find several (5–10) brand new software packages in every specific category even on a more public server, and as many of these categories consist of tools for professionals, it is uncertain if they are ever actually used. High-end video editing tools (including programs that require dedicated hardware), CAD/CAM-software that require specialized knowledge to operate (and a degree in engineering to be useful) and studio-level audio-software are popular. A telling personal example is finding Operator Assisted Sewer Information System (OASIS 6) released in 1998, a piece of software that requires access to a wastewater collection system in order to be useful. In other words, the symbolic value of what is released has precedence over aspects of utility on the warez scene.

Similarly, groups will battle (‘race’) for releasing the truly high-profile programs, such as new games or applications from, e.g. Adobe® or Microsoft®. These races can involve elements such as bribing suppliers, working through the night (befitting the caricature of the ‘computer nerd’) and even sabotaging the work of rival groups. As the final release is accessible to all participants and members of the network, this behavior is completely irrational if we assume that participants try to maximize their own takings from the system, for if this was the case groups would simply wait each other out, especially so when it comes to the most desirable software. Instead, as the main motivation seems to be the reputation efficient releasing brings, all the groups will actually try to outdo each other. Groups will cooperate when it comes to the upkeep of the community’s infrastructure (servers and connections), but compete in the production and distribution of products within this infrastructure. Also important in making the distinction between releasing as a symbolic act rather than utilitarian activity is the question of ‘nuking’. This refers to the practice of removing software that are either duplicate releases or otherwise regarded unworthy (e.g. children’s games are often erased willy-nilly) from the participating servers. Was the aim

of the network to maximize members' possibilities to get hold of software, this makes little sense. Duplicates would actually improve the spreading of programs (partly because the most desired software are most likely to create the conditions for a race and thus create dupes as a result), but are still removed from the network as quickly as possible.

We could perhaps call this form of competitive producing *institutional egoism*, i.e. that maximizing and self-serving behavior exists on the social level. It is true that the participants on the scene do not have to pay for (all of) their software, and it is possible that this form of 'pooling' benefits the participants in such a manner that their individual expenditure (from securing and trading releases) might on average be less than the 'value' of what they take out of the ring—cooperative synergy. This would make the structure somewhat similar to the Melanesian big-man economies (see Oliver, 1955; Sahlins, 1972, pp. 248–252), insofar as that there are less than ten main warez groups that usually provision the community with most or all of the most desirable software. Regardless of which description (institutional egoism or big-man economics) one prefers, the system is dependant on the existence of an elite group that for their own reasons enter into materially disadvantageous relations with the rest of the community. Top groups, such as the aforementioned 'Class', continuously outspend and out-produce their rivals, getting very little of material value in return. This is a fact that deserves some note, especially as this behavior is not an aberration (such as a wealthy individual's single lump-sum donation to a charity) but an ongoing process, willingly entered and continued.

### 3. Symbolic exchange and warez

What can be viewed in the warez scene could be described as an 'economic' structure of exchange where use and exchange-values are, at best, secondary. Following Baudrillard (1993) we can instead view the sign and symbol values of releasing as the truly important aspects of the warez transactions. A release signifies participation in the specific network of other warez releasers, whereas it functions symbolically as a way to establishing hierarchical relations in the community. Although a release is expected to function (in fact this is necessary for a release to count in the internal system of appraisal), whether or not it is actually used for anything is of little or no interest to how the release is valued within the community. Nor can a release be exchanged for another one within the competitive core of the community, for all releases are in fact donated and shared without prejudice. Instead, a valid release (the first functional one of a particular commercial program) is part of how the economic identity of groupings is created. One single release does little more than signify that the releaser is, in fact, a releaser. It communicates knowledge of decorum, and shows that the releasing party is part of the network, i.e. that she/they have access to the servers where the community 'lives'. But in order to establish a more specific position in the network, an ongoing process of releasing is required. The individual releases gain their symbolic values by being part of a groups total releasing as compared to the actions of other groups (although there are individual releasers, these are not an important part of the 'tournament'), and it is the valuation of the total releasing prowess of a group that establishes their social standing. For a new entrant, a major release (such as a big computer game) can be important in that it also communicates this, but for the major groups no single

release is enough to ascertain any more stable identity. Instead, these groups strive to release a plethora of titles every week. These processes of continuous challenges and retorts constitute the symbolic exchange of the warez scene.

Succinctly put, what is exchanged in the exchange of illegal software is honor. The processes of production and distribution serve mainly to communicate the prowess of the actor, thereby reinforcing his/her standing in the community. Failure or ineptness in these dealings will result in more or less public chidings, often ending with the denunciation of the failed party as a 'lamer', i.e. a non-proficient and less knowledgeable individual. Such dishonor is abhorred, and participants will expend quite significant resources in order to escape this. Honorable conduct is synonymous with continuous production and unerring generosity, as these are the defining characteristics of communal life in this subculture. Each specific release can thus be seen as part of this symbolic exchange of honor, so that such participation can be seen as part of the ordering process of total prestations as theorized by Mauss (1924/1990). The model suggested by Bourdieu (1990) can thus be seen as being fundamental to the process by which an economy of honor is constructed on the warez scene. Both the material occurrences of the scene—servers, secret networks, organized action in groups—and the material 'products' are in such a perspective merely the structure by which the real economic activity, the establishing of virtue, is organized. In the economy in question, the flows which can be quantitatively appraised (such as the official price of software and the use of bandwidth) are not the fundamentals of economic behavior. Rather it is the strive to be a good citizen (as this is understood in the particular community) and to be honorable that drives the participants, with the traffic in contraband simply being the incidental form taken by an economy and trade in socio-moral feelings. While I by this do not mean to say that the theories of Baudrillard and Bourdieu complement each other, the early works of Baudrillard (1975, 1981, 1993) are specifically focused on understanding the semiotics through which more classically structuralist conceptions of social exchange can be understood. Though in part strongly critical of historical materialism, it might still enable us to better grasp how the notion of honor becomes organized in a community where everything is technologically mediated.

Well that was the second week of June. The blockbuster titles have started to come out, but fewer and fewer of them are being ripped well. This could be the beginning of the end of the rip scene (or at least the  $50 \times 2.88$  limit). Ripping of 3DFX has in effect raised the disk limit anyhow, so perhaps it is time to make the change. A disk limit of  $60 \times 2.88$  prohibiting the ripping of 3DFX would go a long way towards eliminating the "cheating" of the disk limit that we are seeing now. The games with graphic drivers ripped are going to be more and more prevelant as time goes on. Perhaps a new meeting of the Faction counsil is in order. Origin should be brought into that body this time around anyway. Their constant use of their non-membership to circumvent the rules of common sense has become an annoyance. Surely their leaders can respect the idea that even an essentially illegal hobby such as ours needs some guidelines to ensure fair play. Origin's use of the faction rules to denounce other group's releases, and their use of their own non-membership to shield themselves from criticism should not be allowed to continue. (From *Netmonkey Weekend Report*; Issue 51, June 26th 1999).

In Baudrillard's (1975, 1981) analysis of classic gift economies, the field of inquiry in which Mauss stands as the founding father, gifts are symbols that cannot be reduced to use- or exchange-value. Instead, they function through a logic of ambivalence, being part of a symbolic exchange that occurs between distinct individuals that engage in reciprocal behavior and that is localized to a specific spatio-temporal location. This is the gift as we know it, the act of social interaction between parties, where the object stands in and symbolizes their specific relation. This, remarks Baudrillard, must be compared to the logic of difference that drives sign-exchange. Here, the sign-functions of objects are important through the way they order a system of status, i.e. the way in which an object gains its value by being part of a system of signs, so that a brand new program released is seen as more of a contribution than the release of, e.g. an update to an earlier release quite apart from any imagined use-value inherent in said programs. Any old jewelry can obviously be a symbol of wealth, but when we approach situations where there is an abundance of necklaces different pieces will acquire meaning in part through how they relate to the other pieces of jewelry on display in, e.g. a social setting. How this game of signs is structured is then a complex social process, where notions such as aesthetics and ethics come into play. Modern consumerism is in this perspective a game of signs, where accumulation of the correct sign-structure communicates success. Fundamentally a refinement of Veblen's (1899/1934) seminal theory of "conspicuous consumption", the notion of sign-exchange is however efficient in analyzing how differences in social standing are structured. If gifts exist as a part of the structuration of society, their symbolic value (the way in which they represent the relations between two agents) is supplemented by their sign value—how configurations of donatives order social interaction—so that an understanding the warez scene must be approached not through studying the individual cases of theft but through the way in which this form of competitive donation creates value through the system of giving and reciprocity. The object given is a symbol of the relation between the person who give and the one who receives, but also a sign that exists in relation to all other signs. On the warez scene, the act of releasing a single piece of software has symbolic value, as it symbolizes participation, but this must be viewed in relation to the game of releasing as a whole, as a sign that takes it place in the continuous flow of releases. I have referred to this as an 'electronic potlatch' (Rehn, 2001), as the focus of the warez activities lies in proving prowess rather than in the incidental efficiency achieved through this specific arrangement. Participants create social hierarchies through releasing and discussing releases, so that the releases signify the position of the releaser rather than exist as a stable symbol of the relation between a donor and a receiver. As the receiver in these contests is the community generally (cf. Panoff, 1970 and Mauss's notion of 'total services') the symbolic value of what is given is very fleeting. The "fighting with property" (to use a term from Codere, 1950) that is the warez scene can thus be seen as a continuous battle of signs, so that the total history of contribution to the community and continuing mass of releases for each group creates their tenuous social position, but which simultaneously forces participants to continuous one-upmanship, what I have called "conspicuous production". So the giving has become competitive and caught up in a process of extremization. As the scene stands, its main limiting factor is the software industry, as (more or less) all programs viewed as worthy (symbolically) are turned into releases, often before their official release date.

#### 4. Discussion

What can then be inferred from the existence of this kind of community, and what is gained by viewing it specifically as an economy (as distinguished from, e.g. an ideological system of forced mutual aid)? Being an anarchistic game, and an illegal one as such, the warez scene might seem like just another quaint aberration, just as the kula and the potlatch. Still, this kind of ‘pessimistic’ view does not detract from the fact that the warez scene is a closely delimited (even internally, outsiders are often viewed with considerable suspicion), reasonably stable structure that is ordered through the phenomenon of the gift, and that through this, the scene is interesting in itself. Just as the Kwakwaka’wakw allocated the significant surpluses their ‘subsistence economy’ so easily created into rituals of lavish expenditure and even the intentional destruction of wealth (Mauss, 1924/1990; Benedict, 1934), the warez dudes exist in a society where it is wholly possible to subsist on relatively meager wages (or the benevolence of mothers) and dedicate ones time and other resources into a game of competitive giving. One could even see a parallel to Sahlins’s (1972) “original affluent society”, as accumulation in both cases, Paleolithic hunter-gatherers and networked ‘geeks’, is forgone in favor of more social behavior. The fact that this phenomenon and these individuals exist might thus be seen as the *possibility* for gift economies, even in modern societies, and thus act as a counterpoint to the belief that the hegemony of the market economy is total and final (cf. Yang, 2000).

A more daring interpretation would be to pay attention to the technological developments that have made the warez scene possible. Although not explicitly analyzed here, this community would not exist without the advances in computer and network technologies that have occurred during the last 15 years. As has been extensively discussed in both academic and popular (business) literature, computer networks have radically changed the economic landscape. But although the possibility of selling over the Internet has received (over-)abundant interest, the similar possibilities of giving things away have yet to be sufficiently theorized. What the warez scene shows us might be that given certain conditions (a wealthy society, a profusion of certain goods), radically sinking costs for exchange can result in generosity rather than profit-mindedness. Right now, any reasonably intelligent individual can find and access a cornucopia of copyrighted material over the Internet (through, e.g. the Gnutella-structure, <http://www.gnutella.org>). Leaving aside the question of immaterial rights and the legal and moral aspects contained herein, the economic fact of sharing and giving has become increasingly important for a certain part of society (N.B.: As this segment seems to be overrepresented by the white, affluent and well-educated parts of society (as access to computers and networks has yet to be democratized), there remains an interesting issue of class here (cf. Hardt and Negri, 2000)). Although no clear correlation can be ascertained, the ease with which sharing and donation can be achieved would seem to have a certain effect. Similarly, the way in which the digital nature of the goods played with on the scene enables people to conceive of them as public goods opens up to interesting questions regarding the nature of theft and commons, although an analysis hereof is beyond the scope of this article. Either way, the warez scene presents us with a *possibility* to utilize classical economic anthropology in a hypermodern setting, a move that goes some way show both the relevance of economic anthropology and the complexity of modern economies. As we move towards evermore fluid markets, fewer and fewer barriers to economic exchange, and an

increasingly networked world (cf. Coyle, 1997; Callon, 1998), the hybrid anomalies lurking at the edges of the economic order pose and will continue to pose interesting questions to the researcher caught in the “economies of signs and space” (Lash and Urry, 1994).

The article could thus be seen as an argument for the utilization of economic anthropology in the study of social economies. Effectively, it is a claim regarding the necessity to analyze even such community formations that are not immediately obvious as economies, and the problems of limiting studies of the economic to only such forms that are recognizable within the classical economic framework. Although most economists seem to feel that the strawman of a *homo oeconomicus* is, at best, a model with which problems can be approached, the lack of alternative metaphors has arguably hindered theoretical development, in part because so much energy has been spent on attacking a caricature of economics (cf. McCloskey, 2002). And in an ever more networked, glocalized, multi-threaded world, the possibility for hybrids, i.e. even paradoxical combinations of social and economic orders, increases in a way that demands more and more in the way of theoretical sensitivity. The strength of economic anthropology has always been the way it has been able to deal with a multitude of social and cultural orders, and highlight the multitude of different ways in which the provisioning of society *generally* can be ordered. If we take the case of the gift, it has been the way in which economic and interpersonal aspects, including such cultural notions as honor and duty, intermingle and weave together in ways that cannot be reduced down to simple tit-for-tat that has given the notion its theoretical power. Economic anthropology has through this managed to show how such ephemeral qualities as the culturally mediated need to respond to challenges or hierarchically order honor can in fact be understood in a lucid way without reducing the complexity of the underlying issues. In this way (substantivist) economic anthropology presents ways to grasp without simplifying, so that the seemingly inane endeavor of giving away as fast as you are able can *make sense*. Although vulgar postmodernism might be content with proclaiming that economic behavior can be irrational and playful, economic anthropology, through its emphasis on the cultural context and its sensitivity to extra-economical categories, can actually manage to show the systematic and meaningful aspects of those systems which escape the modernist logic of limited economics. This, the “thick description” (Geertz, 1973) of alternative economic logics, is the contribution of economic anthropology.

As indigenous beliefs could survive the onslaught of Christianity through mutation and adaptation, so might alternative forms of economic exchange find ways to survive and regroup within the auspices of hegemonic capitalism. Then again, they might not. The *potlatch* was outlawed and lost much of its earlier meaning as the First Nations of British Columbia had to adapt to the ways of the white man. But its legacy is strong, as a way to show some of the many, many ways in which economic activity can be organized, with the warez scene being one. Just one, but still one. And arguably, as, e.g. Hyde (1979) has intimated, there might be (at least) one more case, one that is hidden by constantly being in front of our eyes. Just as the warez dudes care a lot about just getting their products “out there”, academics write in part to be seen and so as not to be dishonored as “unproductive”. Much of the work conducted (as one of my generous reviewers pointed out) is done out of a sense of duty and for the pride entailed. Submitting an article to a journal does not pay off in the common sense of the word, and the article will often be the crystallization of a significant expenditure of resources. Further, just as on the warez scene, much of what is

produced is quickly forgotten, if noted at all. Still, the honor remains. And this feeling of honor, a notion that is well in line with Boulding's (e.g. 1958, pp. 180–181) argumentation regarding the romantic foundations of economic development, might thus in the end be the most economic emotion of them all.

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